

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1646-01
Bill No.: HB 619
Subject: Entertainment; Sports and Amusements; Gambling
Type: Original
Date: April 17, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$64,750)	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$64,750)	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri Gaming Commission** assume this proposal would not fiscally impact their agency.

Officials from the **University of Missouri (UM)** state that it is estimated that a period of six to seven months will be required to complete the study as specified in House Bill 619. The following estimates are based on a recognition of the complexity of gaming, and compulsive gambling, and the fact that the societal impact of compulsive gambling and documenting the number of underage compulsive gamblers cannot be determined in a straightforward, direct manner, but will instead require creative research methods. In addition, computer linkages to and analysis of various data sets relating to public assistance, employment productivity and related impact issues will be required.

Staff: 1 Faculty Researcher @ .25 FTE for 6 months	\$9,000
1 Faculty Researcher @ .15 FTE for 6 months	5,400
1 Senior Policy Analyst @ .25 FTE for 6 months	14,000
1 Junior Policy Analyst @ .50 FTE for 6 months	9,000
Fringe Benefits for Staff (@ 25% of staff costs)	9,350

Related Expenses:

Consultants on Addictions, Addictive Behaviors, Compulsive Behaviors	7,500
---	-------

Intra-state travel to Riverboat Casinos and to compulsive behavior treatment centers in in Kansas City and St. Louis	5,000
--	-------

Office equipment and telephone charges	750
--	-----

Charges for computer hookups, data sharing, and computer time	2,500
--	-------

Graphics, copying, binding, mailing, etc. for_ 300 copies of final report @ \$7.50 per	<u>2,250</u>
---	--------------

Total Estimated Costs	<u>\$64,750</u>
-----------------------	-----------------

ASSUMPTION (continued)

Officials from the **Department of Mental Health (DMH)** assume the study to be conducted by

the University of Missouri Public Policy Institute will not be funded from DMH's appropriations, and therefore, assume no fiscal impact from this proposal.

Officials from the **Missouri Lottery Commission** state that while the proposal excludes them from the moratorium, it could have an indeterminable impact upon their agency. If a new game is prohibited from being offered on Missouri's gaming boats for a two year period, competition for lottery sales will not increase.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE			

<u>Costs</u> - University of Missouri study on the impact of gaming.	<u>(\$64,750)</u>	<u>\$0</u>	<u>\$0</u>
--	-------------------	------------	------------

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal establishes a two-year moratorium on the introduction of new types of gaming and directs the University of Missouri Public Policy Institute to conduct a study to determine at a minimum:

- (1) The number of compulsive gamblers in Missouri;
- (2) The cost of compulsive gambling to the state's economy; and

DESCRIPTION (continued)

- (3) The number of underage compulsive gamblers, the impact of compulsive gambling on youth,

and the associated costs to the state.

A written report of findings will be submitted to the General Assembly by June 1, 2002.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Gaming Commission
Missouri Lottery Commission
University of Missouri - Public Policy Institute
Department of Mental Health



Jeanne Jarrett, CPA
Director
April 17, 2001